

IFAD - REPUBLIC OF CHAD
KANEM RURAL DEVELOPMENT PROJECT (PRODER-K)
PROJECT COMPLETION REPORT VALIDATION

A. Basic Data

A. Basic Project Data			Approval (US\$ m)		Actual (US\$ m)	
Region	WCA		Total project costs		14.3	
Country	Republic of Chad		IFAD Loan and % of total	13.0	90.8%	
Loan Number	607-TD		Borrower	1.0	7.1%	
Type of project (sub-sector)	Rural development		Co-financier 1			
Financing Type	Loan		Co-financier 2			
Lending Terms¹	HI		Co-financier 3			
Date of Approval	April 2003		Co-financier 4			
Date of Loan Signature	15 May 2003		From Beneficiaries	300,000	2.1%	
Date of Effectiveness	15 May 2005		From Other Sources:			
Loan Amendments	None		Number of beneficiaries (if appropriate, specify if direct or indirect)	90,000 – 100,000 direct beneficiaries		8,560
Loan Closure Extensions			Cooperating Institution	UNOPS		UNOPS
Country Programme Managers	L.L. Nsimpasi U. Demirag M. Béavogui (ad interim) A. Lhommeau		Loan Closing Date	31 December 2013		30 June 2010
Regional Director(s)	M. Béavogui		Mid-Term Review	Mentioned in AR, without date		None
PCR Reviewer	Ernst Schaltegger (consultant)		IFAD Loan Disbursement at project completion (%)			26.2
PCR Quality Control Panel	Felloni Muthoo					
Please provide any comment if required						

Sources: Presidents Report 2003, PCR 2010

B. Project Outline

1. The project, laid out for a period of eight years, covered the region of Kanem, which comprised the departments of Kanem and Bahr-El-Ghzal, both located about 300 km North of Ndjamena. It built on experience gained through the a predecessor project, the Projet de

¹ According to IFAD's Lending Policies and Criteria, there are three types of lending terms: highly concessional (HI), intermediate (I) and ordinary (O). The conditions for these are as follows: (i) special loans on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum and have a maturity period of forty (40) years, including a grace period of ten (10) years; (ii) loans on intermediate terms shall have a rate of interest per annum equivalent to fifty per cent (50%) of the variable reference interest rate, and a maturity period of twenty (20) years, including a grace period of five (5) years; (iii) loans on ordinary terms shall have a rate of interest per annum equivalent to one hundred per cent (100%) of the variable reference interest rate, and a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years.

Développement Agricole des Ouadis du Kanem (PDAOK), in microfinance and technology testing of the ouadis water uptake systems.

2. The overall objective of the project was to improve, in a sustainable manner, the incomes and food security of poor households in the Kanem region. Specifically, the project was designed to:

- develop sustainable microfinance services that are accessible to the rural poor of the region;
- empower the target population and their organizations through the creation and consolidation of representative institutions;
- increase agricultural productivity through the development of an appropriate technology package for the ouadis and diversification of income sources; and
- Provide specific support to women and young people, and to their income-generating activities.

3. The target group comprised vulnerable rural poor communities living in the structurally food insecure Kanem region of Chad, who had limited access to resources (particularly land in the ouadis), social infrastructure and information. At appraisal, it was estimated that between 12,800-14,300 households, encompassing about 90,000-100,000 people, or one third of the region's rural population, would benefit directly from the project, being typically smallholders engaged in subsistence cultivation and livestock on marginal land. Low agricultural productivity, few wage-earning opportunities, lack of access to financial services and limited rural infrastructure were identified as the foremost causes of poverty in the project area. Weak community organization, combined with ineffective service delivery and lack of resources, further contributed to poverty in the area.

4. The project comprised four components, namely:

- a. The support for rural community development, 42 percent of base cost. The project used a participatory approach to assist beneficiaries in the identification, monitoring and implementation of micro projects. Due to the fragile nature of its resource base, a better understanding of the region's ecological conditions was needed. Thus, the project supported the development of a regional development plan, a cartographic map, a database and an update of the ouadis typology, in addition to a technical analysis of the appropriate technology package for the ouadis.
- b. The Kanem Development Fund (FODEK), 19 percent of base cost. FODEK was aimed at strengthening collective and individual capacity, and productive agricultural and non-agricultural micro-investments. Funds were earmarked for micro-projects prepared by farmers' groups and for testing and investment in inter-village programmes that addressed the needs expressed by the groups.
- c. The development of financial services, 23 percent of base cost. . The project intended to support the development of a sustainable rural financial system in the target area. An expertise centre was to provide technical support in the region. A network of about 22 local village banks extending financial services to the rural population was planned, using an approach based on the mobilization of savings, the generation by each bank of its own capital resources and the parallel use of refinancing.
- d. Project management and coordination, 16 percent of base cost. The project was under the responsibility of the Ministry of Agriculture and managed by an independent management and coordination unit located in Mao.

5. PRODER-K took two years, from May 2003 to May 2005, to become effective, and another six months to hold the project launch workshop. The first supervision mission took

place in October 2006² and noted that, since the inception workshop in October 2005, virtually no action had been taken in the project area. The related supervision report also advised the project to introduce a gender training scheme called IEC (Information, Éducation et Information), not foreseen at appraisal, to respond to IFAD's strengthened focus on gender mainstreaming in its projects.

6. Responding to the sluggish project implementation and the resulting low disbursement rate, the supervision mission of 2008³ set a stringent roadmap of 16 critical points to be addressed within six months. The UNOPS follow-up mission aide memoire of May 2009⁴ noted that only five out of these were partially or completely complied with. In July 2009, the Western and Central Africa Division of IFAD's Project Management Department notified the Ministry of Economy and Planning of the Republic of Chad that IFAD had decided to terminate the Loan Agreement 607-TD⁵. This decision was further backed up by a letter of IFAD's President to the same Ministry⁶, stating that PRODER-K was dysfunctional. This PCR will duly take into account the Project Completion Report (PCR)⁷ as a key source of insight, and complement it with other references in order to achieve a correct and fair triangulation.

C. Main Assessment – Review of Findings by Criterion⁸

Project Performance

C.1 Relevance

7. The PCR goes at some length in showing that the PRODER-K was relevant, especially when considering the lack of food security and the prevailing child malnutrition in the area. The PCR also argues that PRODER-K was a logical consequence of the IFAD funded predecessor project in the same area, the PDOAK, which underwent its mid-term review (MTR) at the time of the PRODER-K appraisal mission.

8. The PCR concurs with the President's Report of PRODER-K⁹ stating that "the Kanem region had one of the highest incidences of poverty in the country and being a chronically food insecure region characterized by a limited and fragile productive base. The closing of the PDOAK had left the region with no major development project. The most notable achievements of this project were in the areas of target group empowerment and the development of social capital. Although a key project component dealing with small-scale irrigation did not achieve the desired results due to inappropriate technology, the overall impact on human assets was good, particularly in terms of nutritional education and access to drinking water, health services and sanitation".

² UNOPS, Project de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Rapport de la Mission de Supervision, Octobre 2006.

³ UNOPS, Project de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Rapport de la Mission de Supervision, Octobre 2008.

⁴ République du Tchad, Ministère de l'Agriculture et UNOPS, Project de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Aide-Mémoire du 28 Mai 2009.

⁵ IFAD, WCA, Fax message to the Ministry of Economy and Planning of the Republic of Chad, 22 July 2009.

⁶ IFAD, Office of the President, Letter to the Ministry of Economy and Planning of the Republic of Chad, 22 December 2009.

⁷ République du Tchad, Ministère de l'Agriculture, Project de Développement Rural du Kanem, Rapport d'Achèvement, Mars 2010.

⁸ For definition of and guidance on the criteria, please refer to the Evaluation Manual: http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf

⁹ IFAD, Report and Recommendation of the President to the Executive Board on a Proposed Loan to the Republic of Chad for the Kanem Rural Development Project, 10 April 2003.

9. PRODER-K was clearly an off-spring from and continuation of PDAOK as the interim evaluation mission (of PDAOK) undertaken by IFAD's Office of Evaluation and Studies recommended the preparation of a second intervention in the Kanem region, to: (i) build on work started by PDOAK in microfinance; and (ii) pursue research, experimentation and technology testing of ouadis water uptake systems in order to develop an appropriate technology package for the ouadis.

10. The President's Report also underlined the fact that PRODER-K was in line with:

- a. Chad's Orientation Plan entitled "Preparer le Tchad aux défis du 21 ème siècle" (Preparing Chad for the Challenges of the Twenty-First Century),
- b. The IFAD COSOP 1999¹⁰ and
- c. IFAD's strategic framework and the regional strategy of the Western and Central Africa Division by encompassing the following strategic objectives: (i) strengthening the capacity of the rural poor and their organizations; and (ii) increasing agricultural and natural resource productivity and improving access to technology; and (iii) improving the access of the rural poor to financial services and markets.

11. However, the PCR is critical on whether Component C, the development of financial services, was relevant for addressing the real poverty issues in the project area. This position builds on a report published in 2006¹¹ making the case that micro-finance institutions in rural areas have substantial handicaps if these are characteristic of: (i) a high poverty incidence, (ii) limited village cohesion and management capacity, (iii) a precarious and over-exploited natural resource base, (iv) an economy centred on self-sufficiency and isolation, and (v) thus endowed with only a few markets. Interestingly, the joint aide-memoire of May 2009 between the Ministry of Agriculture and UNOPS¹² – which can be considered as the trigger for IFAD's decision to terminate the Loan Agreement – uses the same documentary reference and "draws the attention of the Government of Chad and IFAD related to the viability of the planned "Caisses Locales Autogérées" in the context of Kanem and suggests the set-up of rotating funds in areas where micro-finance institutions are not viable".

12. The 2009 COSOP¹³ seems to have followed suit and eliminated rural micro finance as a core realm of intervention, but maintained it as a cross-cutting activity where applicable. The new COSOP now focuses exclusively on sustainable water management and access of the rural poor to input and product markets. To what extent the premature termination of PRODER-K has helped to simplify IFAD's approach strategy in Chad is not evident from the 2009 COSOP as it remains remarkably silent on lessons learnt from the project validated here.

13. As several supervision reports reveal^{14,15}, there was widespread confusion on the multi-faceted approach to be implemented under PODER-K. On the one hand, there were no proven technologies for irrigation water hauling and use at hand for the project (see Paragraph

¹⁰ Not available on-line but referred to in the 2009 COSOP (see Footnote 13).

¹¹ GRET/Cerise, 2006, no further references.

¹² République du Tchad, Ministère de l'Agriculture et UNOPS, Project de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Aide-Mémoire du 28 Mai 2009, Page 7.

¹³ IFAD, Republic of Chad, Country Strategic Opportunities Programme, Executive Board — Ninety-seventh Session Rome, 14-15 September 2009.

¹⁴ UNOPS, Projet de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Rapport de la Mission de Supervision, Octobre 2006.

¹⁵ UNOPS, Projet de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Rapport de la Mission de Supervision, Octobre 2007.

8), and the way in which the “Caisses Locales Autogérées” were to be set up, managed and coached remained undefined until project termination. This is surprising because the Projet de Sécurité Alimentaire au Nord Guéra (PSANG II) also comprised a rural finance component that reached the planned coverage at large¹⁶. On the other hand, the project implementation unit (PIU) was given an abundant array of possible technical and methodological hints on how to implement the project. Volume II of the Appraisal Report¹⁷ counts 616 pages including working papers, and was published only in October 2005, when the project launch workshop took place, while Volume I is dated February 2003¹⁸. The logical framework in the President’s Report encompasses one development objective, four specific objectives and 14 results or outputs to be achieved, with 32 indicators at these three levels, none of which complies with the requisite of being SMART (simple, measurable, achievable, relevant and time-bound). The above facts, plus the discovery that the rural finance component, as designed, was not adapted to the context in the project area (see Paragraph 11), point to flaws in the quality at entry. It must indeed have been a confusing reference framework for the project implementers. The lack of simplicity was identified as one of the major causes of poor project performance and failure in a recent joint evaluation by the African Development Bank (AfDB) and IFAD¹⁹ on partnerships in African agriculture.

14. This PCR, taking into account the strong and genuine pro-poor focus of the project but also the insufficiently defined rural finance component, rates project relevance as *moderately satisfactory (4)*.

C.2 Effectiveness

15. Without a solid logical framework endowed with SMART indicators, the assessment of effectiveness is obviously problematic. It is true, however, that the supervision report of 2008 and the PCR refer to a matrix of RIMS²⁰ indicators, four of which have been considered to be compulsory for IFAD (prevalence of malnutrition, household assets, number of food insecure months and number of project beneficiaries). The latter is the only one that can be measured against a pre-established benchmark (Paragraph 19) while the remaining three RIMS indicators will be referred to under Section C4 (rural poverty impact).

16. The PCR proceeded to a self-assessment of effectiveness by focusing on the achievement of the three groups of results or outputs (improved rural support capacities, families with better capacity to increase income and food security, and viable rural finance services)²¹. The PCR measures improved rural support capacity by the number of established Economic Interest Groups (GIEs) of which 2,000 were planned at appraisal. The animation teams of the project helped to set up 1,515 such groups by 2007, but many were either not functional or fictitious²². After a renewed count with more stringent criteria, 1,105 GIEs remained, a number still too high to be attended by the project’s 22 animation tandems (one female and one male animator). The 2008 supervision mission also detected that the core motivation of “economic interest” was not well understood because many inter-village

¹⁶ IFAD, République du Tchad, Projet de Sécurité Alimentaire au Nord Guéra (PSANG II), Rapport d’Achèvement, Juin 2010.

¹⁷ IFAD, République du Tchad, Projet de Développement Rural du Kanem (PRODER-K), Rapport de Préévaluation, Volume II, Octobre 2005.

¹⁸ IFAD, République du Tchad, Projet de Développement Rural du Kanem (PRODER-K), Rapport de Préévaluation, Volume I, Février 2003.

¹⁹ AfDB, IFAD, Towards purposeful partnerships in African agriculture, April 2010, page 79

²⁰ RIMS = Result and Impact Management System of IFAD.

²¹ Effectiveness is given when project objectives are attained. In this case, the PCR chose to measure the achievement of outputs or results. This is indicative of a persistent lack of comprehension on the essence of the logical framework.

²² UNOPS, Projet de Développement Rural du Kanem (PRODER-K), Prêt FIDA N0. 607-TD, Rapport de la Mission de Supervision, Octobre 2007.

development plans included health and education components that were not eligible for funding under the project. The gender training initiative (IEC, see Paragraph 5) recommended by the first supervision mission in 2006, was never implemented. The PCR concludes that the project was not effective in reaching this output.

17. The PCR proposes to measure the improved capacity of families to increase income and food security with 12 indicators, of which only two would have had a direct bearing on the essence of this achievement, the remainder being input oriented, such as the number of auxiliary extensionists being operational or the turnover of agricultural input stores established by the project. No survey has been made to determine increased agricultural production or bigger herd size at family level that could have been proxies for increased income and food security. This would not have been particularly meaningful as only six percent of the planned irrigation test plots, partly with improved seeds, were established. In addition, the distribution of farm yard animals (small ruminants and poultry) was too small an operation to cause any broad-based effect. The provision of saplings for the establishment of village forestry plots was not successful either as none of them survived. The PCR notes a similar outcome for such plots that were established by the predecessor project PDAOK. More tangible, but not captured in the form of an indicator, was the construction and partial equipment of 151 wells and boreholes, out of a total demand of 541 such irrigation structures that were assessed to be feasible by the project. Project closure prevented the installation of a new piezometric network necessary for the monitoring of the fragile groundwater tables in the ouadis. The old such network established under PDAOK was no more in use.

18.

As hinted to in Paragraph 13, the rural finance component was not implemented. There are a host of reasons for this non-performance. First, the concept was unclear at the start. This could have been corrected by contracting consultants and/or potential operators of the rural finance network to be set up. With the project effectiveness delay and the lengthy procedures for contracting services, such conceptual support never substantiated. Moreover, the UNOPS supervision mission of 2007²³ states that IFAD itself did not proceed to a planned review on decentralized financial services in Chad, which was expected to shed clarity on the concept and the way forward. According to PMD, this would not have been relevant because the first micro-finance networks (CECAs) were established in North Guéra, with the support from the Centre International de Développement et de Recherche (CIDR), only in 2006; and PRODER-B was launched in June 2007 where a micro-finance component was planned.

19.

20. The most simple, but indirect, expression of effectiveness is project coverage of the target population. Out of the 95,000 persons to be reached under PRODER-K (see Paragraph 3), the PCR presents a headcount of 8,560 or 9 percent (10.3 percent women and 7.4 percent men) as per December 2009. However, all 147 villages that were earmarked have been included, and the planned number of 21 inter-village development plans has also been attained, while the target for ouadi development plans was overshot (82 against a target of 64). The training of auxiliary agricultural extensionists (164) also complied with the target, albeit including much less than the expected 50 percent of women, and 36 out of a target of 45 artisans for rural hydraulic infrastructure received training. Literacy courses attained 76 percent of the beneficiaries estimated at appraisal, with a higher than planned number of female trainees.

21. The preceding paragraphs infer that PRODER-K indeed was ineffective as a whole, and this must have been the principal motivation for IFAD to terminate the Loan Agreement. The question as to the why of this unusual non performance, even in difficult physical and institutional contexts, is more complex to answer. One of the reasons was lack of quality at

²³ Ibidem.

entry, as discussed in the previous section, and others will be considered in the sections below. PMD rates project effectiveness as unsatisfactory. In view of the delayed and very limited implementation rates, the PCRV's rating for this criterion is as well *unsatisfactory* (2).

C.3 Efficiency

22. The PCR contains a short section on project efficiency and concludes that project implementation was not as efficient as it should have been. The reasons given in the PCR are: (i) the long delays incurred for project procurement, (ii) the low initial deposit in the project special account, and (iii) the low frequency of withdrawal applications (WAs), which exacerbated the low initial deposit. The supervision report of 2008 gives striking examples of sluggish procurement procedures, with one example regarding a socio-economic study reaching 19 months between the drafting of the terms of reference and the signature of the contract. Goods procurements often took twelve or more months to be completed.

23. In May 2008, the Government of Chad requested the increase of the initial deposit in the special account, which indeed was substantially lower than in other IFAD funded projects in Chad. There is no reply of IFAD on record, a fact mentioned in the PCR. Only in October 2008, UNOPS suggested the preparation of WAs when their respective totals reached 20 percent of the initial deposit, as opposed to the previous practice of accumulating expenditures out of the special account until they went up to 50 percent of the initial deposit, which regularly affected project liquidity. The staff-heavy PIU (51 units) aggravated this situation because it chose to recruit the animation teams themselves instead of subcontracting to a service provider. This would have allowed direct payments by IFAD and been an alleviation of payments from the special account.

24. In hindsight, it appears that the above mentioned inertia was synonymous to an overall implementation capacity that was not sufficient to reach project outputs and objectives with acceptable speed. The key figures given by the PCR are clear: after more than five years of project life since effectiveness, IFAD loan disbursement reached 26.2 percent of the budgeted amount, but the categories of personnel and operation costs combined were equivalent to 52 percent of loan withdrawals. If project vehicles and equipment are added, the corresponding figure reaches 76 percent. In contrast, only 9 percent of the target population of 95,000 estimated at appraisal were cumulatively attended by the end of 2009. The fax message notifying the termination of the Loan Agreement²⁴ points to another underlying reason for the relatively unusual measure: the unsatisfactory performance of PRODER-K compromised future IFAD investments in Chad because the performance-based allocation system (PBAS) penalizes countries with low disbursing projects, among other criteria of more general nature. The then pending approval of a US\$19 million IFAD grant to Chad for a pastoral water supply project was at stake. It was subsequently approved and leveraged cofinancing partners to the tune of additional US\$ 17 million²⁵.

25. PMD assesses project efficiency as unsatisfactory. This PCRV concurs and, based on the above considerations, rates efficiency also as *unsatisfactory* (2).

Rural Poverty Impact

C.4 Impact

26. In a project that is prematurely terminated, and which is not endowed with a stringent logical framework and SMART indicators, the assessment of rural poverty impact is

²⁴ IFAD, WCA, Fax message to the Ministry of Economy and Planning of the Republic of Chad, 22 July 2009.

²⁵ <http://operations.ifad.org/web/ifad/operations/country/project/tags/chad/1446/documents>

particularly challenging. A so-called RIMS survey covering 900 rural households in the project area was conducted by the project in 2007²⁶. The salient features of household characteristics were:

- An average of 5 persons per household,
- 29 percent of female headed households,
- 35 percent with access to improved water sources and 7 percent to improved sanitation,
- 14 percent overall literacy rate for men and 3 percent for women,
- Only about 1 percent of households with transport assets, such as bicycles and motorcycles,
- 53 percent of children under five were underweight, 55 percent under height (stunting) and 27 chronically malnourished (wasting).

27. Thus, this “baseline survey” simply confirmed that the choice of the project area was justifiable on the basis of these indicators. The project termination prevented a repeat of the baseline survey. Consequently, no evidence-based assessment of project impact is possible. The below appreciations per impact domain are qualitative at best, adopting a programme theory approach²⁷. These appreciations take into account the quality, magnitude and outreach of the likely impact as they can be inferred from the PCR and the available supporting documentation. In particular, low progress in implementation needs to be taken into account.

- a. *Household Income and Net Assets*. It is not unreasonable to assume that, if and when all wells and boreholes will be equipped with pumps (Paragraph 17), cropping areas will be expanded, which may lead to increased household income and net assets. But this is a speculative assumption, and the documentation shows very limited progress in the implementation of the related component bespeaking limited number of people and narrow area affected. For this reason, impact is rated as *unsatisfactory* (2).
- b. *Human and Social Capital and Empowerment*. The fact that ouadi and inter-village development plans were prepared together with the population means that human and social capital was mobilised to some extent. The same may apply to the training of auxiliary extension agents and irrigation artisans (see Paragraph 19). The relative success with literacy classes, especially with women, would infer an improvement in human and social capital. However, the scale of these improvements remained limited. Consequently, this impact domain is rated as *moderately unsatisfactory* (3).
- c. *Food Security and Agricultural Productivity*. Although new crops were tested by the project, no comparative data are available that would infer productivity progress. With growing irrigation water availability (see Point a. above), a propensity for using improved vegetable species and varieties is conceivable. Again, as highlighted by the analysis of effectiveness, low implementation levels can be expected to have inevitably constrained food security impact at household and community level which, for this reason, is rated as *unsatisfactory* (2).
- d. *Natural Resources and Environment (including climate change issues)*. The available evidence from the PCR, including reference of survival rates of village forestry plots established under the predecessor project PDAOK, infer that the project’s impact on

²⁶ Ministère de l’Agriculture, IFAD, Projet de Développement Rural du Kanem (PRODER-K), Rapport de l’Enquête SYGRI, Février-Mars 2007.

²⁷ Programme theory approaches are widely used in the evaluation literature. They consist of reviewing the expected logical chain of the programme and likely alternatives and building plausible scenarios that are based on the available information. Along these lines, if certain impact results (e.g. income or food security increase) are dependent on certain project outputs or milestones (e.g. the functioning of an irrigation scheme) and if the project outputs or milestones are not delivered or seriously under-delivered, then it can be inferred that the expected impact results will also be significantly affected.

natural resources and environment is likely to be marginal. With life fences, the project may have attained a somewhat better performance, but the scale attained is negligible, resulting in a rating of *unsatisfactory* (2).

Institutions and Policies. For the assessment of this impact domain, it is useful to recall that the project implementation unit (PIU) was specifically set up for the needs of the project, and subsequently disbanded as soon as the notification of project termination was implemented. Beyond the PIU, the project had no institution-building component. Thus, this PCRV refrains from giving a rating in relation with this impact domain.

Taking into account the available evidence on implementation progress and the plausible impact results in the above domains, the general project impact is rated by this PCRV as *unsatisfactory* (2).

Other Performance Criteria

C.5 Sustainability

27. The PCR notes that the project did not generate many opportunities to test sustainability hypotheses because of the very low level of tangible achievements. The wells and boreholes, if and when finally equipped with pumps, would require further attention in terms of operation, maintenance and management of spare parts. To some extent, the training of artisans versed in rural hydraulic infrastructure may help to preserve the physical assets supported by the project. On the other hand, the fact that the piezometric network for water table monitoring established by the predecessor project PDAOK fell into disuse is not an encouraging factor of sustainability. This is all the more so because the termination of PRODER-K prevented to set-up a functioning piezometric network on its own, which was foreseen. With the possibly growing installation of motor-driven pumps of more than 10 cubic metres per hour capacity each, on 150 wells and boreholes, the unmonitored exploitation of fragile water tables in ouadis is posing a distinct threat to the sustainability of the available water resources.

28. In June 2010, the Government unofficially informed IFAD about its decision to continue PRODER-K under exclusive national financing. So far, no additional financing has been allocated yet. Kanem is part of the PROHYPA intervention area, and the project will concentrate on pastoral hydraulics. Whenever possible, especially around the ouadis, and in collaboration with other partners in Kanem, PROHYPA could try to integrate PRODER-K infrastructures in its maintenance related interventions.

28. The PCR also notes that the creation of human and social capital, through literacy classes and the participatory preparation of ouadi and inter-village development plans, may be a factor of sustainability. For a genuine expression of this potential, further development activities based on grass-root organisations would be required, which is unknown. The PCR does not rate sustainability but infers that it is *unsatisfactory*. This PCRV concurs and rates sustainability as *unsatisfactory* (2).

C.6 Pro-Poor Innovation, Replication and Scaling-Up

29. The PCR identifies areas of innovation – which were novel for the target population – such as the preparation of ouadi and inter-village development plan and the building of wells and boreholes. Other innovations proposed at appraisal, especially value addition such as onion drying and soap making, were never taken up. It is possible that PRODER-K had the underlying intention of innovation, by providing an exploratory framework for water hauling and use testing in the ouadis, and even more so in the rural finance component, where it was expected that “an expertise centre would provide technical support in the region ... and a local

NGO implement this component, with technical support from a specialized external agency”²⁸.

30. If the intention really was to look for and apply best available practice, such open-ended project layouts are not sufficient. The drive for innovation requires strong leadership and milestones, including full-stop milestones, if the innovation hypotheses do not substantiate. PRODER-K was devoid of such mechanisms. As the PCR puts it, the widespread lack of physical implementation makes replication and up-scaling irrelevant. This PCRV concurs and rates innovation, replication and up-scaling as *unsatisfactory* (2).

C.7 Gender equality and women’s empowerment

31. The PCR does not include a separate section on gender issues, but the RIMS indicator matrix contained therein presents gender specific data whenever it is applicable. This is commendable as it is normally the first step of making gender issues visible. In terms of population coverage, women tend to score equally well or better than men on an overall plane, in GIE membership and literacy classes (see Paragraph 19). Considering such an achievement in an otherwise difficult environment would deserve a satisfactory rating, but again, the number of women finally reached was very limited. Thus, this impact domain is rated as *moderately unsatisfactory* (3).

C.8 Performance of Partners

32. The performance assessment of partners is the only part in the PCR where ratings are given in three instances, albeit not on figures, but in words.

a. *IFAD’s Performance.* The PCR notes that IFAD went at length to provide training opportunities for project staff, especially to the director of the PIU, the administrative and financial managers and the responsible persons for monitoring and evaluation. Between 2006 and 2008, a total of ten training events were attended, nine of them outside Chad. The RCRV commends this distinct effort in project staff training. Overall, the PCR rates IFAD performance as “satisfactory” while pointing to deficiencies in responding to project correspondence. This PCRV is more critical with regards to IFAD performance. The lack of quality at entry of the project is one reason, another the very slow implementation. PRODER-K was launched in December 2005 and directly supervised by UNOPS. Due to the security situation in 2006, the first field supervision mission took place only in October 2006. From there, both UNOPS and IFAD discerned implementation problems and recommended appropriate corrective actions to be implemented from January 2008. At the end, it goes to IFAD’s credit that it was unwavering when it took the decision of loan agreement termination as soon as it was clear that the borrower did not comply with the roadmap in June 2009. This is particularly noteworthy because experience in IFAD with premature project closings is not generalized yet and follows cumbersome procedures. IFAD is yet in the process to improve its business model to facilitate gradual suspension and subsequent closing of non-performing projects. All in all, IFAD performance is rated as *moderately satisfactory* (4).

b. *Government’s Performance.* The PCR assesses the borrower’s performance as “moyenne”, based on the sluggish procurement process and resulting delays, and late transfer of counterpart funds, but also due to the lack of conceptual attention to the project. The lead ministry made only two missions to the project area, and the project

²⁸ IFAD, Report and Recommendation of the President to the Executive Board on a Proposed Loan to the Republic of Chad for the Kanem Rural Development Project, 10 April 2003, Paragraph 24.

steering committee never undertook a project visit or hold meetings at the project headquarters as prescribed by the rules & regulations. In the view of this PCR, it is particularly concerning that the lead ministry appeared to be unimpressed by very obvious and early signs of underperformance of the project. Consequently, Government's performance is rated as *unsatisfactory* (2).

- c. *Cooperating Institution.* UNOPS was the cooperating institution from the start to the premature termination of the project. The PCR infers that the supervision missions were welcome moments of professional interaction, corroborated by the fact that there was a good continuity in terms of the portfolio manager. But the PCR deplors that the processing of withdrawal applications (WAs) took up to six months during the implementation of the roadmap 2008-2009, a particularly critical period that de facto caused IFAD to terminate the project. The PCR gives UNOPS performance an appreciation of "moyenne". This PCR notes that UNOPS fielded the first supervision mission only in October 2006, 18 months after project effectiveness, which by itself accumulated a two-year delay. The crucial follow-up mission of June 2009 - where the non-adherence of the project to the roadmap of October 2008 triggered its termination - was entirely left to the cooperating institution as the aide-memoire bears only the signatures of the lead ministry and UNOPS. To be fair, it would appear that these routines were in tune with the relatively independent stance of UNOPS from IFAD's Project Management Department in the years before IFAD chose to assure loan management and project supervision on its own (see Paragraph 35). This PCR gives a UNOPS performance rating of *moderately satisfactory* (4).

C.9 Overall Assessment of Project Achievement

33. The rating table under Section G exhibits an overall rating of PRODER-K of *unsatisfactory* (2). This is commensurate with the fact that the project was terminated three years earlier than planned, with a loan closing date of June 2010 instead of June 2013. This rating takes also into account the ratings for project performance, global impact ratings as well as ratings for sustainability, promotion and upscaling of innovation and gender. On one hand, the decision to terminate PRODER-K responded primarily to IFAD's commitment to improve efficiency and effectiveness of its interventions, and therefore to close non performing interventions. On the other hand, it may also be seen as a necessary sacrifice to safeguard the approval of a much bigger project on grant basis (the pastoral water supply project, see Paragraph 23). In any case, the why question regarding the unacceptably low performance of PRODER-K deserves some thoughts.

34. As this PCR argues, quality at entry was not adequate for the substantial challenges that should have been visible when the project was designed. In technical matters, as well in the design of the rural finance component, there were too many loose ends. Such an approach would have been conceivable if the project architecture and the implementation support had been geared towards a stringent and guided action research mode. This was not the case with PRODER-K. On the contrary, the logical framework in the appraisal report was over-ambitious, devoid of clear lines of priorities and of SMART indicators. Several indicators appeared on more than one logical level, and their sheer number and non-committal formulation indeed may have caused more confusion than clarity over what the project was meant to achieve.

35. Other IFAD supported projects in Chad evolved under similarly difficult implementation conditions. The comparatively sub-standard performance of PRODER-K was referred to since the first supervision mission in October 2006, but there is little evidence available from the supervision mission reports and the PCR what were the underlying reasons why so little was achieved in physical implementation and target population coverage compared to project expenditures and structure (see Paragraph 23). In the section on lessons

learnt (Paragraphs 37-39), the project completion report makes the case that implementation support from IFAD and UNOPS was not sufficient.

D. Assessment of the PCR Quality

36. The below assessment of the PCR quality is summarized by ratings in the table under Section G.

- a. *Scope.* The PCR includes all relevant sections that are mandatory, except the one on gender equality and women's empowerment. It was written within a delicate relational context by the lead ministry of the borrower that was responsible for project implementation (Ministry of Agriculture and Irrigation). On one hand, it felt obliged to express its disarray over IFAD's decision to prematurely terminate the project and, on the other, it had to recognize that project performance was unsatisfactory, the project ineffective and rural poverty impact marginal. Taking the above into account, PCR scope is rated *moderately satisfactory (4)*.
- b. *Quality (methods, data, participatory process).* There is nothing on record on the method of PCR preparation, such as the inclusion of the participating population in forming broad-based assessments. Data availability, and thus processing, is unsatisfactory, exacerbated by the absence of SMART indicators in the log frame. This aspect is rated as *moderately unsatisfactory (3)*.
- c. *Lessons.* The PCR contains recommendations and lessons learnt that can be regarded as pertinent. They include conceptual and project management aspects that were part of the problems that lead to the premature termination of the project. They deserve a *moderately satisfactory rating (4)*.
- d. *Candour.* The author or authors of the PCR were candid about the immediate and visible factors that led IFAD to terminate the project. It would have been helpful, however, to learn more about the underlying causes of the identified dysfunctions. There must have been problems in the functioning of the PIU, and in the level of professional oversight at higher echelons, that lead to an unchallenged disequilibrium in expenditure patterns that was so blatantly in disfavour of the target population. Thus, this criterion is rated *moderately satisfactory only (4)*.
- e. The overall PCR quality is rated *moderately satisfactory (4)*.

E. Final Remarks

E. 1 Lessons Learned

37. Any project that is terminated halfway and without having achieved its objectives is a waste of resources. Such cases are equivalent to worst-case scenarios and should be avoided. The first imperative for this is to assure quality at entry. The design of PADER-K, by virtue of its logical framework, did not provide a clear guidance on what was to be achieved in reasonably precise terms, and was even less a management tool during implementation.

38. Not only the conceptual foundation of the project may have been unclear to the implementer but, in hindsight, implementation support from the financier and the cooperating institution was below critical mass. It is true that task splitting between IFAD and UNOPS corresponded to a well established modus operandi, leaving to the latter the responsibility for loan administration and project supervision. Dysfunctional project implementation patterns were detected in October 2006 already by the cooperation institution (see Paragraph 5), a warning signal that could have induced IFAD into devising adequate measures with the

borrower. IFAD now supervises its projects on its own, and this method may be conducive to shorten reaction times for bolstering implementation support in favour of underperforming projects.

39. It would have been helpful if more horizontal learning between contemporary IFAD projects in Chad were used in the course of project implementation. PSANG II is a case in point, which was implemented in the same period and which exhibited a satisfactory performance in the coverage of its beneficiaries and in the set-up of a rural finance component.

E.2 Issues for IOE follow-up (if any)

None

G. Rating Comparisons

Project ratings			
Criterion	PMD Rating²⁹	IOE Rating	Net Rating Disconnect (IOE PCR V - PMD)
Relevance	4	4	0
Effectiveness	2	2	0
Efficiency	2	2	0
Project Performance³⁰	n.p.	2.7	n.a
Rural Poverty Impact			
(a) HH Income and Net Assets	2	2	0
(b) Human and Social Capital Empowerment	3	3	0
(c) Food Security and Agricultural Productivity	2	2	0
(d) Natural Resources and Environment	1	2	+1
(e) Institutions and Policies	1	n.a.	
Overall rural poverty impact³¹	2	2	0
Sustainability	2	2	0
Pro-poor Innovation, Replication and Scaling Up	2	2	0
Gender equality and women's empowerment	3	3	0
Overall Assessment³²	2	2	0
Performance of partners			
(a) IFAD	4	4	0
(b) Government	4	2	-2
(c) Cooperating Institution	3	4	+1
AVERAGE Net disconnect			0
Ratings of the PCR document	PMD rating	IOE PCR V	Net disconnect

²⁹ Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

³⁰ Arithmetic average of ratings for relevance, effectiveness and efficiency.

³¹ This is not an average of ratings of individual impact domains.

³² This is not an average of ratings of individual evaluation criteria. Also performance of partners is not a component of overall project performance rating.

quality		rating	
(a) Scope	5	4	+1
(b) Quality (methods, data, participatory process)	4	3	-1
(c) Lessons	1	4	+3
(d) Candour	3	4	+1
Overall rating PCR document	n.p.	4	n.a.

Note: PMD ratings will be included once available

H. List of Sources Used for PCR Validation

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